



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 5, 2005

### **H.R. 3670**

**A bill to extend for persons affected by Hurricane Katrina the time for appeal to the United States Court of Appeals for Veterans Claims of certain decisions of the Board of Veterans Appeals that are rendered during the period from June 1, 2005, through November 30, 2005**

*As introduced on September 7, 2005*

H.R. 3670 would extend the time period that a person who lived in an area that was affected by Hurricane Katrina could appeal a decision rendered by the Board of Veterans' Appeals (BVA) between June 1, 2005, and November 30, 2005, with the Court of Appeals for Veterans' Claims (CAVC). CBO estimates that enacting this legislation would not significantly affect direct spending for veterans' disability compensation benefits.

Under current law, an appellant has 120 days from the date of final decision from the BVA to file an appeal with the CAVC. Under normal procedures, the CAVC dismisses claims filed after that deadline. However, on September 9, 2005, the CAVC issued an order suspending until further notice that deadline for appellants affected by the U.S. Postal Service's suspension of mail service to designated zip codes within the regions affected by Hurricane Katrina. Furthermore, the court ordered that parties affected by Hurricane Katrina residing outside the identified zip codes may request appropriate relief on a case-by-case basis.

H.R. 3670 would extend that filing deadline to 240 days if the appellant had a decision rendered by the BVA between June 1, 2005, and November 30, 2005, and the appellant resided in a county that was identified as being adversely affected by Hurricane Katrina by the Federal Emergency Management Agency or the appellant's claim is under the jurisdiction of the Department of Veterans Affairs (VA) regional offices in New Orleans, Louisiana, or Jackson, Mississippi.

Based on information provided by the BVA regarding the number of claims denied from the affected regions over the June 1, 2005, through September 20, 2005, period, the number of claims from those areas denied annually by the BVA, and the percent of denied claims subsequently filed with the CAVC, CBO estimates that BVA might deny around 450 claims

from affected veterans and that about 100 of those claims might subsequently be appealed to the CAVC. Based on information provided by BVA, CBO expects that most of those appeals would come from veterans from the regions covered by the September 9, 2005, CAVC order. CBO expects that less than 10 appellants might not receive relief from deadline requirements, if requested, and be dismissed for failing to meet the 120-day filing requirement.

CAVC reports that it historically reverses about 20 percent of the BVA decisions that are appealed and remands about 40 percent to the BVA for further action; upon remand, BVA reverses its original decision in about 10 percent of those cases. Thus, assuming enactment of this legislation, CBO estimates that five or fewer additional claims would eventually be affirmed by the CAVC or BVA. Assuming these affirmed claims result in a disability rating increase of 20 percent, CBO estimates that enacting this legislation would increase direct spending for disability compensation by less than \$100,000 each year over the 2007-2015 period. CAVC reports that the court takes about 360 days to render a final decision on an appeal; thus, CBO would not expect enactment of the legislation to affect direct spending for 2006.

Section 4 of the Unfunded Mandates Reform Act excludes from the application of that act any legislative provision that provides for emergency assistance or relief. CBO has determined that the provisions for this bill fall within that exclusion and has not reviewed it for intergovernmental or private-sector mandates.

The CBO staff contact is Dwayne M. Wright. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.